

entity and stored in the memory in order to help enforce tax laws and prevent consumers or merchants from avoiding the payment of use tax.

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**REMARKS**

This is in response to the Office Action dated December 5, 2001. Claims 1-13 are pending. Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page(s) is captioned "**Version With Markings To Show Changes Made.**"

Claims 1, 2 and 8 stand rejected under 35 U.S.C. Section 102(b) as being allegedly anticipated by Cretzler. This Section 102(b) rejection is respectfully traversed for at least the following reasons.

Claim 1 requires "said at least one tax register forwarding said transaction data and use tax data to one of the state agency and a credit card processing company for processing, wherein the transaction data includes at least an amount of money received by the merchant from the consumer for the goods; a first computer and corresponding first memory disposed at the state agency, the first computer and memory for receiving and storing the forwarded transaction data and use tax data from one of the credit card processing company and a merchant at the retailer location; and . . . tax register or credit card processing company to forward the transaction data and use tax data to said first computer and memory so that the transaction data and tax data from the retailer is automatically forwarded to the state agency and stored in the first memory in order to help enforce tax laws and prevent consumers or merchants from avoiding the payment of

use tax.” It is clear that claim 1 requires that both use tax data and transaction data (including at least \$ received by the merchant or retailer from the consumer for a transaction) be forwarded to the state agency. By forwarding both transaction data together with use tax data, auditing can be more easily achieved and carried out in order to help prevent merchants from paying taxes which they owe. Cretzler fails to disclose or suggest these aspects of claim 1.

Cretzler relates to a system that merely sends the total sum of taxes collected to a tax authority bank (e.g., col. 4, line 55 to col. 5, line 7). Cretzler fails to disclose or suggest sending transaction data (including \$ received by a merchant or retailer) along with tax data to a state agency. To the contrary, Cretzler teaches directly away from the invention of claim 1 by requiring that only the tax be sent to the state agency (i.e., *not* any transaction data). As a result of this fundamental failure with respect to Cretzler, auditing cannot be easily carried out and certain advantages associated with the instant invention cannot be realized. Cretzler is thus fundamentally flawed in this regard, and cannot render claim 1 unpatentable in any way.

Claim 9 also requires that transaction data be sent along with use tax data to a state authorized entity. As discussed above, Cretzler fails to disclose or suggest this aspect of claim 9.

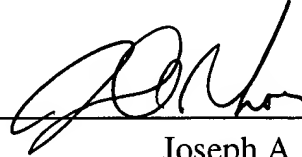
Citation to additional art cannot overcome the fundamental flaws of Cretzler discussed above.

For at least the foregoing reasons, it is respectfully requested that all rejections be withdrawn and the application passed to issue. If any minor matter remains to be resolved, the Examiner is invited to telephone the undersigned with regard to the same.

Respectfully submitted,

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**VERSION WITH MARKINGS TO SHOW CHANGES MADE**

**IN THE CLAIMS**

Please amend the following claims.

1. (Amended) A point of sale tax reporting system in an environment where a consumer purchases goods, the point of sale tax reporting system comprising:

at least one tax register located at a merchant or retailer location, said at least one tax register for processing consumer sales transaction data at the retailer location and computing use tax data to be indicated to an appropriate state agency based upon at least one of the location of a consumer or where the purchased goods are to be shipped, said at least one tax register forwarding said transaction data and use tax data to one of the state agency and a credit card processing company for processing, wherein the transaction data includes at least an amount of money received by the merchant or retailer from the consumer for the goods;

a first computer and corresponding first memory disposed at the state agency, the first computer and memory for receiving and storing the forwarded transaction data and use tax data from one of the credit card processing company and a merchant at the retailer location; and

a first communication link connecting at least one of (i) the tax register at the retailer location and (ii) the credit card processing company, to the first computer and memory at the state agency, said first communication link for permitting the tax register or credit card processing company to forward the transaction data and use tax data to said

first computer and memory [whereby] so that the transaction data and tax data from the retailer is automatically forwarded to the state agency and stored in the first memory in order to help enforce tax laws and prevent consumers or merchants from avoiding the payment of use tax.

9. (Amended) A point of sale tax reporting system in an environment where a consumer purchases goods over a digital data network, the point of sale tax reporting system comprising:

the digital data network for enabling a consumer to purchase goods over the digital data network from a retailer;

at least a first computer or register located at a merchant or retailer location, said first computer or register for processing consumer sales transaction data at the retailer location and forwarding use tax data and transaction data for a transaction to one of a state authorized entity and a credit card processing company, where the transaction data includes at least an amount of money received or to be received by the merchant or retailer from the consumer for the transaction;

at least a second computer and corresponding memory disposed at the state authorized entity, the second computer and memory for receiving and storing forwarded use tax data and transaction data from one of the credit card processing company and a merchant at the retailer location; and

a first communication link connecting at least one of (i) the first computer or register at the retailer location and (ii) the credit card processing company, to the second

computer and memory at the state authorized entity, said first communication link for permitting the first computer or register, or the credit card processing company to forward the use tax data and the transaction data to said second computer and memory whereby the tax data from the retailer is automatically forwarded to the state authorized entity and stored in the memory in order to help enforce tax laws and prevent consumers or merchants from avoiding the payment of use tax.